

AMENDED IN ASSEMBLY AUGUST 11, 1997

AMENDED IN ASSEMBLY JULY 3, 1997

SENATE BILL

No. 542

Introduced by Senator Alpert

February 24, 1997

An act to amend Sections 63.1, 75.31, ~~534~~ 255, 273, 273.5, 275, 275.5, 276, 401.13, 430.5, 534, 1603, and 1605 of, *and to add Section 5145.5 to*, the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

SB 542, as amended, Alpert. Property taxation: ~~parent-child transfers and statutes of limitation.~~

The California Constitution generally limits ad valorem taxes on real property to 1% of the full cash value of that property. For purposes of this limitation, "full cash value" is defined as the assessor's valuation of real property as shown on the 1975-76 tax bill under "full cash value" or, thereafter, the appraised value of that real property when purchased, newly constructed, or a change in ownership has occurred. The California Constitution also excludes from the terms "purchased" and "change in ownership" the purchase or transfer of the principal residence of the transferor, or the purchase or transfer of the first \$1,000,000 of all other real property, in the case of a purchase or transfer between parents and their children, as defined by the Legislature.

Statutory law that implements this constitutional exclusion requires an application for the exclusion to be filed within certain specified time periods.

This bill would, except in the case in which the subject real property has been transferred to a 3rd party, allow the filing of an application for the exclusion after the conclusion of the filing periods currently specified by law. It would, in that case, apply any resulting exclusion commencing in the year in which the application is filed, and would require that the taxable value of the subject real property be set at the adjusted base year value of the subject real property in the year of purchase or transfer, adjusted for inflation and the value of any subsequent new construction. By imposing new duties upon local assessors in the processing of exclusion claims, this bill would impose a state-mandated local program.

Existing property tax law establishes an annual tax lien date of January 1, rather than the former lien date of March 1, commencing with January 1, 1997, and establishes an annual deadline of March 15 for the filing of any affidavits required for certain property tax exemptions, except for affidavits for the church exemption, the veteran's exemption, the homeowners' exemption, the religious exemption, the aircraft of historical significance exemption, and for the classification of vessels as documented vessels eligible for valuation pursuant to a specified statute.

This bill would eliminate all special affidavit filing deadlines, except for the special filing deadline for the homeowners' exemption. This bill would conform the general deadline for the filing of property tax exemption affidavits to the new January 1 property tax lien date by changing that deadline from March 15 to February 15, and would similarly conform the filing deadline for the homeowners' exemption by changing that deadline from April 15 to February 15. This bill would also make other related conforming changes in dates specified in other exemption provisions, and would also conform to the January 1 lien date certain other dates specified in other property tax provisions.

Existing property tax law requires a county assessor to determine the assessed value of assessable intercounty



pipeline rights-of-way in the county on the basis of a single, countywide parcel per taxpayer, as provided.

This bill would require an assessor to similarly determine the assessed value of pipelines and related rights-of-way that are located wholly within the county.

Existing property tax law requires that any reduction in an assessment entered on the local roll be made pursuant to an application for reduction in assessment, and generally requires that an application for reduction in assessment be filed during the period from July 2 to September 15, inclusive.

This bill would authorize a county board of supervisors, upon the recommendation of the county assessor and the clerk of the county board of equalization, to adopt a resolution providing, where certain conditions are met, that an application for reduction in assessment may also be filed within 60 days of the mailing of a notice of the assessor's response to a request for assessment pursuant to a specified statutory provision. This bill would also require that the applicant's signature on each application for reduction in an assessment be certified or be made under penalty of perjury. By creating a new crime of perjury, this bill would create a state-mandated local program.

Existing property tax law provides for certain types of property tax assessments to be made outside the regular assessment period, provides for certain notices of those assessments to be given to assessees, and specifies that applications for reduction of those assessments are required to be filed within certain time periods.

This bill would clarify the various periods for the filing of an appeal of certain assessments made outside of the normal assessment period, would establish specified periods for the filing of an appeal of a supplemental, or penal or escape, assessment, together with an affidavit under penalty of perjury, in the case in which the assessee does not receive notice of the assessment at least 15 days prior to the normal deadline for the filing of an appeal. This would also specify the contents of the notice that is required to be provided to an assessee with respect to a penal or escape assessment. By creating a new crime in the form of perjury, this bill would establish a state-mandated local program.

Existing property tax law allows a person who has paid an amount of property tax, or certain representatives of that person or his or her estate, to bring an action in superior court to recover that amount of tax in the case in which a claim for the refund of that amount has been denied.

This bill would, in the case in which a claim has been denied for the refund of the first installment of taxes paid under an installment plan entered into pursuant to a specified statute, also authorize the owner of property, subject to certain limitations and conditions, to bring a refund action in superior court for the recovery of that first installment.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that with regard to certain mandates no reimbursement is required by this act for a specified reason.

With regard to any other mandates, this bill would provide that, if the Commission on State Mandates determines that the bill contains costs so mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 63.1 of the Revenue and
- 2 Taxation Code is amended to read:
- 3 63.1. (a) Notwithstanding any other provision of this
- 4 chapter, a change in ownership shall not include the
- 5 following purchases or transfers for which a claim is filed
- 6 pursuant to this section:
- 7 (1) The purchase or transfer of real property which is
- 8 the principal residence of an eligible transferor in the



1 case of a purchase or transfer between parents and their
2 children.

3 (2) The purchase or transfer of the first one million
4 dollars (\$1,000,000) of full cash value of all other real
5 property of an eligible transferor in the case of a purchase
6 or transfer between parents and their children.

7 (3) (A) Subject to subparagraph (B), the purchase or
8 transfer of real property described in paragraphs (1) and
9 (2) of subdivision (a) occurring on or after March 27,
10 1996, between grandparents and their grandchild or
11 grandchildren, if all of the parents of that grandchild or
12 those grandchildren, who qualify as the children of the
13 grandparents, are deceased as of the date of purchase or
14 transfer.

15 (B) A purchase or transfer of a principal residence
16 shall not be excluded pursuant to subparagraph (A) if the
17 transferee grandchild or grandchildren also received a
18 principal residence, or interest therein, through another
19 purchase or transfer that was excludable pursuant to
20 paragraph (1) of subdivision (a). The full cash value of
21 any real property, other than a principal residence, that
22 was transferred to the grandchild or grandchildren
23 pursuant to a purchase or transfer that was excludable
24 pursuant to paragraph (2) of subdivision (a) and the full
25 cash value of a principal residence that fails to qualify for
26 exclusion as a result of the preceding sentence shall be
27 included in applying, for purposes of paragraph (2) of
28 subdivision (a), the one million dollar (\$1,000,000) full
29 cash value limit specified in paragraph (2) of subdivision
30 (a).

31 (b) (1) For purposes of paragraph (1) of subdivision
32 (a), “principal residence” means a dwelling for which a
33 homeowners’ exemption or a disabled veterans’
34 residence exemption has been granted in the name of the
35 eligible transferor. “Principal residence” includes only
36 that portion of the land underlying the principal
37 residence that consists of an area of reasonable size that
38 is used as a site for the residence.

39 (2) For purposes of paragraph (2) of subdivision (a),
40 the one million dollar (\$1,000,000) exclusion shall apply

1 separately to each eligible transferor with respect to all
2 purchases by and transfers to eligible transferees on and
3 after November 6, 1986, of real property, other than the
4 principal residence, of that eligible transferor. The
5 exclusion shall not apply to any property in which the
6 eligible transferor's interest was received through a
7 transfer, or transfers, excluded from change in ownership
8 by the provisions of either subdivision (f) of Section 62 or
9 subdivision (b) of Section 65, unless the transferor
10 qualifies as an original transferor under subdivision (b) of
11 Section 65. In the case of any purchase or transfer subject
12 to this paragraph involving two or more eligible
13 transferors, the transferors may elect to combine their
14 separate one million dollar (\$1,000,000) exclusions and,
15 upon making that election, the combined amount of their
16 separate exclusions shall apply to any property jointly sold
17 or transferred by the electing transferors, provided that
18 in no case shall the amount of full cash value of real
19 property of any one eligible transferor excluded under
20 this election exceed the amount of the transferor's
21 separate unused exclusion on the date of the joint sale or
22 transfer.

23 (c) As used in this section:

24 (1) "Purchase or transfer between parents and their
25 children" means either a transfer from a parent or
26 parents to a child or children of the parent or parents or
27 a transfer from a child or children to a parent or parents
28 of the child or children. For purposes of this section, the
29 date of any transfer between parents and their children
30 under a will or intestate succession shall be the date of the
31 decedent's death, if the decedent died on or after
32 November 6, 1986.

33 (2) "Purchase or transfer of real property between
34 grandparents and their grandchild or grandchildren"
35 means a purchase or transfer on or after March 27, 1996,
36 from a grandparent or grandparents to a grandchild or
37 grandchildren if all of the parents of that grandchild or
38 those grandchildren who qualify as the children of the
39 grandparents are deceased as of the date of the transfer.
40 For purposes of this section, the date of any transfer

1 between grandparents and their grandchildren under a
2 will or by intestate succession shall be the date of the
3 decedent's death.

4 (3) "Children" means any of the following:

5 (A) Any child born of the parent or parents, except a
6 child, as defined in subparagraph (D), who has been
7 adopted by another person or persons.

8 (B) Any stepchild of the parent or parents and the
9 spouse of that stepchild while the relationship of
10 stepparent and stepchild exists. For purposes of this
11 paragraph, the relationship of stepparent and stepchild
12 shall be deemed to exist until the marriage on which the
13 relationship is based is terminated by divorce, or, if the
14 relationship is terminated by death, until the remarriage
15 of the surviving stepparent.

16 (C) Any son-in-law or daughter-in-law of the parent or
17 parents. For the purposes of this paragraph, the
18 relationship of parent and son-in-law or daughter-in-law
19 shall be deemed to exist until the marriage on which the
20 relationship is based is terminated by divorce or, if the
21 relationship is terminated by death, until the remarriage
22 of the surviving son-in-law or daughter-in-law.

23 (D) Any child adopted by the parent or parents
24 pursuant to statute, other than an individual adopted
25 after reaching the age of 18 years.

26 (4) "Grandchild" or "grandchildren" means any child
27 or children of the child or children of the grandparent or
28 grandparents.

29 (5) "Full cash value" means full cash value, as defined
30 in Section 2 of Article XIII A of the California
31 Constitution and Section 110.1, with any adjustments
32 authorized by those sections, and the full value of any new
33 construction in progress, determined as of the date
34 immediately prior to the date of a purchase by or transfer
35 to an eligible transferee of real property subject to this
36 section.

37 (6) "Eligible transferor" means a grandparent, parent,
38 or child of an eligible transferee.

39 (7) "Eligible transferee" means a parent, child, or
40 grandchild of an eligible transferor.

1 (8) “Real property” means real property as defined in
2 Section 104. Real property does not include any interest
3 in a legal entity.

4 (9) “Transfer” includes, and is not limited to, any
5 transfer of the present beneficial ownership of property
6 from an eligible transferor to an eligible transferee
7 through the medium of an inter vivos or testamentary
8 trust.

9 (10) “Social security number” also includes a taxpayer
10 identification number issued by the Internal Revenue
11 Service in the case in which the taxpayer is a foreign
12 national who cannot obtain a social security number.

13 (d) (1) The exclusions provided for in subdivision (a)
14 shall not be allowed unless the eligible transferee, the
15 transferee’s legal representative, or the executor or
16 administrator of the transferee’s estate files a claim with
17 the assessor for the exclusion sought and furnishes to the
18 assessor each of the following:

19 (A) A written certification by the transferee, the
20 transferee’s legal representative, or the executor or
21 administrator of the transferee’s estate made under
22 penalty of perjury that the transferee is a grandparent,
23 parent, child, or grandchild of the transferor. In the case
24 of a grandparent-grandchild transfer, the written
25 certification shall also include a certification that all the
26 parents of the grandchild or grandchildren who qualify as
27 children of the grandparents were deceased as of the date
28 of the purchase or transfer and that the grandchild or
29 grandchildren did or did not receive a principal residence
30 excludable under paragraph (1) of subdivision (a) from
31 the deceased parents, and that the grandchild or
32 grandchildren did or did not receive real property other
33 than a principal residence excludable under paragraph
34 (2) of subdivision (a) from the deceased parents. The
35 claimant shall provide legal substantiation of any matter
36 certified pursuant to this subparagraph at the request of
37 the county assessor.

38 (B) A copy of a written certification by the transferor,
39 the transferor’s legal representative, or the executor or
40 administrator of the transferor’s estate made under

1 penalty of perjury that the transferor is a grandparent,
2 parent, or child of the transferee. The written
3 certification shall also include either or both of the
4 following:

5 (i) If the purchase or transfer of real property includes
6 the purchase or transfer of residential real property, a
7 certification that the residential real property is or is not
8 the transferor's principal residence.

9 (ii) If the purchase or transfer of real property
10 includes the purchase or transfer of real property other
11 than the transferor's principal residence, a certification
12 that other real property of the transferor that is subject
13 to this section has or has not been previously sold or
14 transferred to an eligible transferee, the total amount of
15 full cash value, as defined in subdivision (c), of any real
16 property subject to this section that has been previously
17 sold or transferred by that transferor to eligible
18 transferees, the location of that real property, the social
19 security number of each eligible transferor, and the
20 names of the eligible transferees of that property.

21 (2) If the full cash value of the real property purchased
22 by or transferred to the transferee exceeds the
23 permissible exclusion of the transferor or the combined
24 permissible exclusion of the transferors, in the case of a
25 purchase or transfer from two or more joint transferors,
26 taking into account any previous purchases by or
27 transfers to an eligible transferee from the same
28 transferor or transferors, the transferee shall specify in his
29 or her claim the amount and the allocation of the
30 exclusion he or she is seeking. Within any appraisal unit,
31 as determined in accordance with subdivision (d) of
32 Section 51 by the assessor of the county in which the real
33 property is located, the exclusion shall be applied only on
34 a pro rata basis, however, and shall not be applied to a
35 selected portion or portions of the appraisal unit.

36 (e) (1) The State Board of Equalization shall design
37 the form for claiming eligibility. Except as provided in
38 paragraph (2), any claim under this section shall be filed:

39 (A) For transfers of real property between parents
40 and their children occurring prior to September 30, 1990,

1 within three years after the date of the purchase or
2 transfer of real property for which the claim is filed.

3 (B) For transfers of real property between parents
4 and their children occurring on or after September 30,
5 1990, and for the purchase or transfer of real property
6 between grandparents and their grandchildren
7 occurring on or after March 27, 1996, within three years
8 after the date of the purchase or transfer of real property
9 for which the claim is filed, or prior to transfer of the real
10 property to a third party, whichever is earlier.

11 (C) Notwithstanding subparagraphs (A) and (B), a
12 claim shall be deemed to be timely filed if it is filed within
13 six months after the date of mailing of a notice of
14 supplemental or escape assessment, issued as a result of
15 the purchase or transfer of real property for which the
16 claim is filed.

17 (2) In the case in which the real property subject to
18 purchase or transfer has not been transferred to a third
19 party, a claim for exclusion under this section that is filed
20 subsequent to the expiration of the filing periods set forth
21 in paragraph (1) shall be considered by the assessor,
22 subject to all of the following conditions:

23 (A) Any exclusion granted pursuant to that claim shall
24 apply commencing with the lien date of the assessment
25 year in which the claim is filed.

26 (B) Under any exclusion granted pursuant to that
27 claim, the adjusted full cash value of the subject real
28 property in the assessment year described in
29 subparagraph (A) shall be the adjusted base year value of
30 the subject real property in the assessment year in which
31 the excluded purchase or transfer took place, factored to
32 the assessment year described in subparagraph (A) for
33 both of the following:

34 (i) Inflation as annually determined in accordance
35 with paragraph (1) of subdivision (a) of Section 51.

36 (ii) Any subsequent new construction occurring with
37 respect to the subject real property.

38 (3) (A) Unless otherwise expressly provided, the
39 provisions of this subdivision shall apply to any purchase

1 or transfer of real property that occurred on or after
2 November 6, 1986.

3 (B) Paragraph (2) shall apply to purchases or transfers
4 between parents and their children that occurred on or
5 after November 6, 1986, and to purchases or transfers
6 between grandparents and their grandchildren that
7 occurred on or after March 27, 1996.

8 (f) The assessor shall report quarterly to the State
9 Board of Equalization all purchases or transfers, other
10 than purchases or transfers involving a principal
11 residence, for which a claim for exclusion is made
12 pursuant to subdivision (d). Each report shall contain the
13 assessor's parcel number for each parcel for which the
14 exclusion is claimed, the amount of each exclusion
15 claimed, the social security number of each eligible
16 transferor, and any other information the board shall
17 require in order to monitor the one million dollar
18 (\$1,000,000) limitation in paragraph (2) of subdivision
19 (a).

20 (g) This section shall apply to both voluntary transfers
21 and transfers resulting from a court order or judicial
22 decree. Nothing in this subdivision shall be construed as
23 conflicting with paragraph (1) of subdivision (c) or the
24 general principle that transfers by reason of death occur
25 at the time of death.

26 (h) (1) Except as provided in paragraph (2), this
27 section shall apply to purchases and transfers of real
28 property completed on or after November 6, 1986, and
29 shall not be effective for any change in ownership,
30 including a change in ownership arising on the date of a
31 decedent's death, that occurred prior to that date.

32 (2) This section shall apply to purchases or transfers of
33 real property between grandparents and their
34 grandchildren occurring on or after March 27, 1996, and,
35 with respect to purchases or transfers of real property
36 between grandparents and their grandchildren, shall not
37 be effective for any change in ownership, including a
38 change in ownership arising on the date of a decedent's
39 death, that occurred prior to that date.

1 SEC. 2. Section 75.31 of the Revenue and Taxation
2 Code is amended to read:

3 75.31. (a) Whenever the assessor has determined a
4 new base year value as provided in Section 75.10, the
5 assessor shall send a notice to the assessee showing the
6 following:

7 (1) The new base year value of the property that has
8 changed ownership, or the new base year value of the
9 completed new construction that shall be added to the
10 existing taxable value of the remainder of the property.

11 (2) The taxable value appearing on the current roll,
12 and if the change in ownership or completion of new
13 construction occurred between January 1 and May 31, the
14 taxable value on the roll being prepared.

15 (3) The date of the change in ownership or completion
16 of new construction.

17 (4) The amount of the supplemental assessments.

18 (5) The exempt amount, if any, on the current roll or
19 the roll being prepared.

20 (6) The date the notice was mailed.

21 (7) A statement that the supplemental assessment was
22 determined in accordance with Article XIII A of the
23 California Constitution that generally requires
24 reappraisal of property whenever a change in ownership
25 occurs or property is newly constructed.

26 (8) Any other information which the board may
27 prescribe.

28 (b) In addition to the information specified in
29 subdivision (a), the notice shall inform the assessee of the
30 procedure for filing a claim for exemption that is to be
31 filed within 30 days of the date of the notice.

32 (c) (1) The notice shall advise the assessee of the right
33 to an informal review and the right to appeal the
34 supplemental assessment, and, unless subject to
35 paragraph (2) or (3), that the appeal shall be filed within
36 60 days of the date of mailing printed on the notice or the
37 postmark date therefor, whichever is later. For the
38 purposes of equalization proceedings, the supplemental
39 assessment shall be considered an assessment made

1 outside of the regular assessment period as provided in
2 Section 1605.

3 (2) For counties in which the board of supervisors has
4 adopted the provisions of subdivision (c) of Section 1605,
5 the notice shall advise the assessee of the right to appeal
6 the supplemental assessment, and that the appeal shall,
7 except as provided in paragraph (3), be filed within 60
8 days of the date of mailing printed on the tax bill or the
9 postmark date therefor, whichever is later. For the
10 purposes of equalization proceedings, the supplemental
11 assessment shall be considered an assessment made
12 outside of the regular assessment period as provided in
13 Section 1605.

14 (3) (A) If the taxpayer does not receive a notice in
15 accordance with this section at least 15 days prior to the
16 deadline to file the application described in Section 1603,
17 the affected party or his or her agent may file an
18 application within 60 days of the date of mailing printed
19 on the tax bill or the postmark thereof, whichever is
20 earlier, along with an affidavit declaring under penalty of
21 perjury that the notice was not timely received.

22 (B) Notwithstanding any other provision of this
23 subdivision, an application for reduction in a
24 supplemental assessment may be filed within 12 months
25 following the month in which the assessee is notified of
26 that assessment, if the affected party or his or her agent
27 and the assessor stipulate that there is an error in
28 assessment as the result of the exercise of the assessor's
29 judgment in determining the full cash value of the
30 property and a written stipulation as to the full cash value
31 and the assessed value is filed in accordance with Section
32 1607.

33 (d) The notice shall advise the assessee of both of the
34 following:

35 (1) The requirements, procedures, and deadlines with
36 respect to an application for the reduction of a base year
37 value pursuant to Section 80, or the reduction of an
38 assessment pursuant to Section 1603.

39 (2) The criteria under Section 51 for the
40 determination of taxable value, and the requirement of

1 Section 1602 that the custodial officer of the local roll
2 make the roll, or a copy thereof, available for inspection
3 by all interested parties during regular office hours.

4 (e) The notice shall advise the assessee that if the
5 supplemental assessment is a negative amount the
6 auditor shall make a refund of a portion of taxes paid on
7 assessments made on the current roll, or the roll being
8 prepared, or both.

9 (f) The notice shall be furnished by the assessor to the
10 assessee by regular United States mail directed to the
11 assessee at the assessee's latest address known to the
12 assessor.

13 ~~(g) The notice given by the assessor under this section~~
14 ~~shall be on a form prescribed by the board.~~

15 SEC. 3. *Section 255 of the Revenue and Taxation*
16 *Code is amended to read:*

17 255. (a) Affidavits required for exemptions named in
18 this article, except the ~~church exemption, the veterans'~~
19 ~~exemption, the homeowners' exemption, the religious~~
20 ~~exemption, and the aircraft of historical significance~~
21 exemption, shall be filed with the assessor between the
22 lien date and 5 p.m. on ~~March 15.~~ Affidavits for the
23 ~~veterans' exemption shall be filed with the assessor~~
24 ~~between the lien date and 5 p.m. on April February 15.~~

25 (b) Affidavits for the homeowners' exemption except
26 as otherwise provided in Sections 255.1, 255.2, and 275,
27 shall be filed with the assessor any time after the claimant
28 becomes eligible but no later than 5 p.m. on ~~April~~
29 ~~February 15.~~

30 ~~(c) Affidavits required for the aircraft of historical~~
31 ~~significance exemption and for classification of vessels as~~
32 ~~documented vessels eligible for assessment under Section~~
33 ~~227 shall be filed with the assessor between the lien date~~
34 ~~and 5 p.m. on April 1.~~

35 ~~(d) Affidavits for the church exemption and religious~~
36 ~~exemption shall be filed with the assessor between the~~
37 ~~lien date and 5 p.m. on March 31.~~

38 ~~(e) Notwithstanding the provisions of subdivision (a),~~
39 any claimant who has been found ineligible for the
40 church exemption or the religious exemption ~~after timely~~

1 ~~filing an affidavit therefor pursuant to subdivision (d),~~
2 may file an affidavit for a welfare exemption. Affidavits
3 for the welfare exemption filed pursuant to this
4 subdivision shall be filed within 15 days from the date of
5 notification by the assessor of the claimants ineligibility
6 for the church exemption or the religious exemption.

7 *SEC. 4. Section 273 of the Revenue and Taxation*
8 *Code is amended to read:*

9 273. If a claimant for the veterans' exemption fails to
10 file the ~~affidavit~~ required ~~affidavit pursuant to~~ by Section
11 255 because he *or she* was in the military service of the
12 United States and serving outside of the ~~continental limits~~
13 ~~of the~~ United States between the lien date and 5 o'clock
14 p.m. on ~~April~~ February 15 of any year, the veterans'
15 exemption may be claimed pursuant to Section 252 or 253
16 without regard to the time limit specified in Section 255
17 ~~and any tax. If the veterans' exemption is claimed~~
18 *pursuant to the preceding sentence, any tax, or penalty*
19 *or interest thereon for any fiscal year commencing during*
20 *that the calendar year in which the exemption is claimed,*
21 *on property to the amount of one thousand dollars*
22 *(\$1,000) owned by—such the person as to which whom the*
23 *veterans' exemption was available for—such that fiscal*
24 *year, shall be canceled or refunded.*

25 *SEC. 5. Section 273.5 of the Revenue and Taxation*
26 *Code is amended to read:*

27 273.5. (a) If a claimant for the veterans' exemption
28 for the 1976–77 fiscal year or any year thereafter fails to
29 file the required affidavit with the assessor by 5 p.m. on
30 ~~April~~ February 15 of the calendar year in which the fiscal
31 year begins, but files that claim on or before the following
32 December 10, an exemption of the lesser of three
33 thousand two hundred dollars (\$3,200) or 80 percent of
34 the full value of the property shall be granted by the
35 assessor.

36 (b) On those claims filed pursuant to subdivision (a)
37 after November 15, this exemption may be applied to the
38 second installment, and if applied to the second
39 installment, the first installment will still become
40 delinquent on December 10, and the delinquent penalty

1 provided for in this division will attach if the tax amount
2 due is not paid.

3 If this exemption is applied to the second installment
4 and if both installments are paid on or before December
5 10, or if the reduction in taxes from this exemption
6 exceeds the amount of taxes due on the second
7 installment, a refund shall be made to the taxpayer upon
8 a claim submitted by the taxpayer to the auditor.

9 *SEC. 6. Section 275 of the Revenue and Taxation*
10 *Code is amended to read:*

11 275. (a) If a claimant for the homeowners' property
12 tax exemption fails to file the required affidavit with the
13 assessor by 5 p.m. on ~~April~~ February 15 of the calendar
14 year in which the fiscal year begins, but files that affidavit
15 on or before the following December 10, an exemption of
16 the lesser of five thousand six hundred dollars (\$5,600) or
17 80 percent of the full value of the dwelling shall be
18 granted by the assessor.

19 (b) On claims filed pursuant to subdivision (a) after
20 November 15, this partial homeowners' exemption may
21 be applied to the second installment, and if applied to the
22 second installment, the first installment will still become
23 delinquent on December 10 and the delinquent penalty
24 provided for in this division will attach if the tax amount
25 due is not paid.

26 If this partial homeowners' exemption is applied to the
27 second installment and if both installments are paid on or
28 before December 10 or if the reduction in taxes from this
29 partial exemption exceeds the amount of taxes due on the
30 second installment, a refund shall be made to the
31 taxpayer upon a claim submitted by the taxpayer to the
32 auditor.

33 *SEC. 7. Section 275.5 of the Revenue and Taxation*
34 *Code is amended to read:*

35 275.5. If a person claiming classification of a vessel as
36 a documented vessel eligible for assessment under
37 Section 227 fails to file the affidavit required ~~pursuant to~~
38 by Section 254 by ~~5:00~~ 5 p.m. on ~~April~~ February 1 of the
39 calendar year in which the fiscal year begins, but files
40 ~~such that~~ that affidavit on or before the following August 1, the

1 assessment shall be reduced in a sum equal to 80 percent
2 of the reduction that would have been allowed had the
3 affidavit been timely filed.

4 *SEC. 8. Section 276 of the Revenue and Taxation*
5 *Code is amended to read:*

6 276. (a) A claimant for the disabled veterans'
7 property tax exemption ~~for the 1976-77 fiscal year or any~~
8 ~~year thereafter~~ may qualify for a partial exemption if the
9 claimant fails to file the required affidavit with the
10 assessor by 5 p.m. on ~~April~~ February 15 of the calendar
11 year in which the fiscal year begins, but files the claim on
12 or before the following December 10. ~~Commencing with~~
13 ~~the 1979-80 assessment year, late-filed~~ Late-filed claims
14 for the forty thousand dollar (\$40,000) exemption
15 provided in Section 205.5 shall receive the lesser of
16 thirty-two thousand dollars (\$32,000) or 80 percent of the
17 full value of the dwelling. Late-filed claims for the sixty
18 thousand dollar (\$60,000) exemption provided in Section
19 205.5, when filed in conjunction with late-filed claims for
20 the forty thousand dollar (\$40,000) exemption, shall
21 receive the lesser of forty-eight thousand dollars
22 (\$48,000) or 80 percent of the full value of the dwelling.
23 Late-filed claims for the sixty thousand dollar (\$60,000)
24 exemption, when filed in conjunction with timely filed
25 claims for the forty thousand dollar (\$40,000) exemption,
26 shall receive the lesser of fifty-six thousand dollars
27 (\$56,000) or forty thousand dollars (\$40,000) plus 80
28 percent of the full value of the dwelling over forty
29 thousand dollars (\$40,000). ~~Commencing with the~~
30 ~~1984-85 assessment year, late-filed~~ Late-filed claims for
31 the one hundred thousand dollar (\$100,000) exemption
32 provided in Section 205.5 shall receive the lesser of eighty
33 thousand dollars (\$80,000) or 80 percent of the full value
34 of the dwelling. ~~Commencing with the 1990-91~~
35 ~~assessment year, late-filed~~ Late-filed claims for the one
36 hundred fifty thousand dollar (\$150,000) exemption
37 provided in Section 205.5, when filed in conjunction with
38 late-filed claims for the one hundred thousand dollar
39 (\$100,000) exemption, shall receive the lesser of one
40 hundred twenty thousand dollars (\$120,000) or 80

1 percent of the full value of the dwelling. Commencing
2 with the 1990–91 assessment year, late-filed claims for the
3 one hundred fifty thousand dollar (\$150,000) exemption,
4 when filed in conjunction with timely filed claims for the
5 one hundred thousand dollar (\$100,000) exemption, shall
6 receive the lesser of one hundred forty thousand dollars
7 (\$140,000) or one hundred thousand dollars (\$100,000)
8 plus 80 percent of the full value of the dwelling over one
9 hundred thousand dollars (\$100,000).

10 (b) On those claims filed pursuant to subdivision (a)
11 after November 15, this exemption may be applied to the
12 second installment, and if applied to the second
13 installment, the first installment will still become
14 delinquent on December 10, and the delinquent penalty
15 provided for in this division will attach if the tax amount
16 due is not paid.

17 If this exemption is applied to the second installment
18 and if both installments are paid on or before December
19 10, or if the reduction in taxes from this exemption
20 exceeds the amount of taxes due on the second
21 installment, a refund shall be made to the taxpayer upon
22 a claim submitted by the taxpayer to the auditor.

23 *SEC. 9. Section 401.13 is added to the Revenue and*
24 *Taxation Code, to read:*

25 *401.13. Notwithstanding any other provision of law,*
26 *on or after January 1, 1998, the assessor shall determine*
27 *the assessed value of pipelines and related rights-of-way*
28 *that are located wholly within the county on the basis of*
29 *a single, countywide parcel per taxpayer, and, to that end,*
30 *shall combine the assessed value of each component or*
31 *segment of those pipelines or rights-of-way. However, the*
32 *assessor shall maintain a separate base year value for each*
33 *of these components or segments.*

34 *SEC. 10. Section 430.5 of the Revenue and Taxation*
35 *Code is amended to read:*

36 430.5. No land shall be valued pursuant to this article
37 unless an enforceable restriction meeting the
38 requirements of Section 422 is signed, accepted, and
39 recorded on or before the lien date for the fiscal year to
40 which the valuation would apply. To ~~assure~~ provide

1 counties and cities *with* time to meet the requirement of
2 this section, the land ~~which~~ *that* is to be subject to a
3 contract shall have been included in a proposal to
4 establish an agricultural preserve submitted to the
5 planning commission or planning department, or the
6 matter of accepting an open-space easement or scenic
7 restriction shall have been referred to ~~such~~ *that*
8 commission or department on or before ~~December~~
9 *October* 15 preceding the lien date to which the contract,
10 easement or restriction is to apply.

11 *SEC. 11.* Section 534 of the Revenue and Taxation
12 Code is amended to read:

13 534. (a) Assessments made pursuant to Article 3
14 (commencing with Section 501) or this article shall be
15 treated like, and taxed at the same rate applicable to,
16 property regularly assessed on the roll on which it is
17 entered, unless the assessment relates to a prior year and
18 then the tax rate of the prior year shall be applied, except
19 that the tax rate for years prior to the 1981–82 fiscal year
20 shall be divided by four.

21 (b) No assessment described in subdivision (a) shall be
22 effective for any purpose, including its review,
23 equalization and adjustment by the Board of
24 Equalization, until the assessee has been notified thereof
25 personally or by United States mail at his *or her* address
26 as contained in the official records of the county assessor.
27 For purposes of Section 532, the assessment shall be
28 deemed made on the date on which it is entered on the
29 roll pursuant to Section 533, if the assessee is notified of
30 the assessment within 60 days after the statute of
31 limitations or the placing of the escape assessment on the
32 assessment roll. Otherwise the assessment shall be
33 deemed made only on the date the assessee is so notified.

34 (c) The notice given by the assessor pursuant to this
35 section shall include all of the following:

36 (1) The date the notice was mailed.

37 (2) Information regarding the assessee's right to an
38 informal review and the right to appeal the assessment,
39 and except in a case in which paragraph (3) applies, that
40 the appeal shall be filed within 60 days of the date of

1 mailing printed on the notice or the postmarked date
2 therefor, whichever is later.

3 (3) For counties in which the board of supervisors has
4 adopted a resolution in accordance with subdivision (c)
5 of Section 1605, the notice shall advise the assessee of the
6 right to appeal the assessment, and that the appeal shall
7 be filed within 60 days of the date of mailing printed on
8 the tax bill or the postmark therefor, whichever is later.

9 (4) A description of the requirements, procedures,
10 and deadlines with respect to an application for the
11 reduction of an assessment pursuant to Section 1605.

12 ~~(d) (1) The notice given by the assessor under this~~
13 ~~section shall be on a form prescribed by the board.~~

14 ~~(2) Giving of the notice required by Section 531.8 shall~~
15 ~~not satisfy the requirements of this section.~~

16 ~~SEC. 4.~~

17 *SEC. 12. Section 1603 of the Revenue and Taxation*
18 *Code is amended to read:*

19 1603. (a) A reduction in an assessment on the local
20 roll shall not be made unless the party affected or his or
21 her agent makes and files with the county board a
22 verified, written application showing the facts claimed to
23 require the reduction and the applicant's opinion of the
24 full value of the property. The form for the application
25 shall be prescribed by the State Board of Equalization.

26 (b) The application shall be filed within the time
27 period ~~beginning July 2 and continuing through and~~
28 ~~including September 15 from July 2 to September 15,~~
29 *inclusive.* An application that is mailed and postmarked
30 September 15 or earlier within that period shall be
31 deemed to have been filed within the time period
32 beginning July 2 and continuing through and including
33 September 15. If the taxpayer does not receive the notice
34 of assessment described in Section 619 at least 15 calendar
35 days prior to the deadline to file the application described
36 in this subdivision, the party affected, or his or her agent,
37 may file an application within 60 days of receipt of the
38 notice of assessment or within 60 days of the mailing of the
39 tax bill, whichever is earlier, along with an affidavit

1 declaring under penalty of perjury that the notice was not
2 timely received.

3 (c) However, the application may be filed within 12
4 months following the month in which the assessee is
5 notified of the assessment, if the party affected or his or
6 her agent and the assessor stipulate that there is an error
7 in the assessment as the result of the exercise of the
8 assessor's judgment in determining the full cash value of
9 the property and a written stipulation as to the full cash
10 value and assessed value is filed in accordance with
11 Section 1607.

12 (d) *Upon the recommendation of the assessor and the*
13 *clerk of the county board of equalization, the board of*
14 *supervisors may adopt a resolution providing that an*
15 *application may be filed within 60 days of the mailing of*
16 *the notice of the assessor's response to a request for*
17 *reassessment pursuant to paragraph (2) of subdivision*
18 *(a) of Section 51, if all of the following conditions are met:*

19 (1) *The request for reassessment was submitted in*
20 *writing to the assessor in the form prescribed by the State*
21 *Board of Equalization and includes all information that is*
22 *prescribed by the State Board of Equalization.*

23 (2) *The request for reassessment was made on or*
24 *before the immediately preceding March 15.*

25 (3) *The assessor's response to the request for*
26 *reassessment was mailed on or after September 1 of the*
27 *calendar year in which the request for reassessment was*
28 *made.*

29 (4) *The assessor did not reduce the assessment in*
30 *question in the full amount as requested.*

31 (5) *The application for changed assessment is filed on*
32 *or before December 31 of the year in which the request*
33 *for reassessment was filed.*

34 (6) *The application for reduction in assessment is*
35 *accompanied by a copy of the assessor's response to the*
36 *request for reassessment.*

37 (e) In the form provided for making application
38 pursuant to this section, there shall be a notice that
39 written findings of facts of the local equalization hearing
40 will be available upon written request at the requester's

1 expense and, if not so requested, the right to—~~such~~ those
2 written findings is waived. The form shall provide
3 appropriate space for the applicant to request written
4 findings of facts as provided by Section 1611.5.

5 (f) *The form provided for making an application*
6 *pursuant to this section shall contain the following*
7 *language in the signature block:*

8 *I certify (or declare) under penalty of perjury under*
9 *the laws of the State of California that the foregoing and*
10 *all information hereon, including any accompanying*
11 *statements or documents, is true, correct, and complete*
12 *to the best of my knowledge and belief and that I am (1)*
13 *the owner of the property or the person affected (i.e., a*
14 *person having a direct economic interest in the payment*
15 *of the taxes on that property -- 'The Applicant,' (2) an*
16 *agent authorized by the applicant under Item 2 of this*
17 *application, or (3) an attorney licensed to practice law in*
18 *the State of California, State Bar No. _____, who has*
19 *been retained by the applicant and has been authorized*
20 *by that person to file this application.*

21 SEC. 13. Section 1605 of the Revenue and Taxation
22 Code is amended to read:

23 1605. (a) An assessment made outside of the regular
24 assessment period is not effective for any purpose,
25 including its review, equalization, and adjustment by the
26 county board, until the assessee has been notified thereof
27 personally or by United States mail at the assessee's
28 address as contained in the official records of the county
29 assessor. For purposes of this subdivision, for counties in
30 which the board of supervisors has adopted the provisions
31 of subdivision (c) and counties of the first class, receipt by
32 the assessee of a tax bill based on that assessment shall
33 suffice as the notice.

34 (b) Upon application for reduction pursuant to
35 subdivision (a) of Section 1603, the assessment shall be
36 subject to review, equalization, and adjustment by the
37 county board. In the case of an assessment made pursuant
38 to Article 3 (commencing with Section 501) or Article 4
39 (commencing with Section 531) of Chapter 3 of Part 2,
40 the application shall be filed with the clerk no later than

1 60 days after the date of mailing printed on the notice of
2 assessment, or the postmark therefor, whichever is later.
3 For counties in which the board of supervisors has
4 adopted a resolution in accordance with subdivision (c),
5 and counties of the first class, an application subject to the
6 preceding sentence shall be filed within 60 days of the
7 date of mailing printed on the tax bill or the postmark
8 therefor, whichever is later. If the taxpayer does not
9 receive the notice of assessment described in Section 534
10 at least 15 calendar days prior to the deadline to file the
11 application described in Section 1603, the party affected,
12 or his or her agent, may file the application within 60 days
13 of the date of mailing printed on the tax bill or the
14 postmark therefor, whichever is earlier, along with an
15 affidavit declaring under penalty of perjury that the
16 notice was not timely received.

17 (c) The board of supervisors of any county may by
18 resolution require that the application for reduction
19 pursuant to subdivision (a) of Section 1603 be filed with
20 the clerk no later than 60 days after the date of mailing
21 printed on the tax bill or the postmark therefor,
22 whichever is later.

23 (d) In counties where assessment appeals boards have
24 not been created and are not in existence, at any regular
25 meeting, the board of supervisors, on the request of the
26 assessor or any taxpayer, shall sit as the county board to
27 equalize any assessments made by the assessor outside the
28 regular assessment period for those assessments.
29 Notwithstanding any other provision of law to the
30 contrary, in any county in which assessment appeals
31 boards have been created and are in existence, the time
32 for equalization of assessments made outside the regular
33 assessment period for those assessments, including
34 assessments made pursuant to Sections 501, 503, 504, 531,
35 and 531.1, shall be prescribed by rules adopted by the
36 board of supervisors.

37 (e) If an audit of the books and records of any
38 profession, trade, or business pursuant to Section 469
39 discloses property subject to an escaped assessment for
40 any year, then the original assessment of all property of

1 the assessee at the location of the profession, trade, or
2 business for that year shall be subject to review,
3 equalization and adjustment by the county board of
4 equalization or assessment appeals board pursuant to this
5 chapter, except in those instances when that property
6 had previously been equalized for the year in question by
7 the county board of equalization or assessment appeals
8 board. The application shall be filed with the clerk no
9 later than 60 days after the date on which the assessee was
10 notified. Receipt by the assessee of a tax bill based upon
11 that assessment shall suffice as that notice.

12 (f) For purposes of subdivision (a), “regular
13 assessment period” means January 1 to and including July
14 1 of the calendar year in which the assessment, other than
15 escape assessments, should have been enrolled if it had
16 been timely made.

17 ~~SEC. 5.~~

18 *SEC. 14. Section 5145.5 is added to the Revenue and*
19 *Taxation Code, to read:*

20 *5145.5. (a) Notwithstanding the fact that all taxes on*
21 *a property have not been paid in full, the owner of that*
22 *property may, subject to the limitations set forth in*
23 *subdivision (d), bring an action in accordance with*
24 *Section 5140 at any time within six months after the*
25 *rejection of a claim for the refund of the first installment*
26 *that is paid under an installment plan for payment of*
27 *escape assessments that is entered into pursuant to*
28 *Section 4837.5.*

29 *(b) The right to maintain an action pursuant to this*
30 *section shall terminate if there is a default on the part of*
31 *the assessee with respect to any obligation in the*
32 *installment plan for payment of the escape assessment.*

33 *(c) If the owner does not recover an amount of taxes*
34 *that is the subject of an action brought under this section,*
35 *he or she shall pay additional interest to the county or city*
36 *in an amount equal to the difference between the amount*
37 *of interest he or she has paid under Section 506 and the*
38 *amount of interest that the county or city would have*
39 *earned in the impound account in connection with the*

1 *entire amount of tax determined by the court to be due*
2 *if that amount had been paid prior to delinquency.*

3 *(d) (1) This section shall not apply in cases where the*
4 *penalty pursuant to Section 503 has been added to the*
5 *escape assessment and upheld by the appeals board or the*
6 *county board of equalization.*

7 *(2) This section shall apply to installment plans*
8 *initiated by written requests filed with the tax collector*
9 *on or after July 1, 1997.*

10 *SEC. 15. No reimbursement is required by this act*
11 *pursuant to Section 6 of Article XIII B of the California*
12 *Constitution for certain costs that may be incurred by a*
13 *local agency or school district because in that regard this*
14 *act creates a new crime or infraction, eliminates a crime*
15 *or infraction, or changes the penalty for a crime or*
16 *infraction, within the meaning of Section 17556 of the*
17 *Government Code, or changes the definition of a crime*
18 *within the meaning of Section 6 of Article XIII B of the*
19 *California Constitution.*

20 *However, notwithstanding Section 17610 of the*
21 *Government Code, if the Commission on State Mandates*
22 *determines that this act contains other costs mandated by*
23 *the state, reimbursement to local agencies and school*
24 *districts for those costs shall be made pursuant to Part 7*
25 *(commencing with Section 17500) of Division 4 of Title*
26 *2 of the Government Code. If the statewide cost of the*
27 *claim for reimbursement does not exceed one million*
28 *dollars (\$1,000,000), reimbursement shall be made from*
29 *the State Mandates Claims Fund.*

30 *Notwithstanding Section 17580 of the Government*
31 *Code, unless otherwise specified, the provisions of this act*
32 *shall become operative on the same date that the act*
33 *takes effect pursuant to the California Constitution.*

